

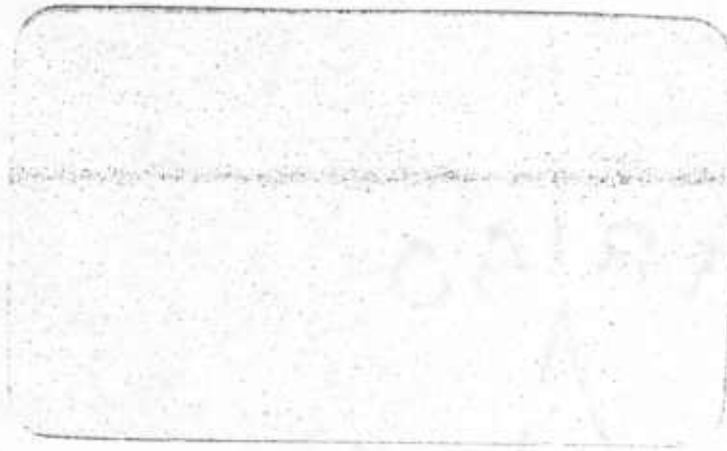
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881399

**The Report of the Governor's Commission on Excellence
In Higher Education: A Commentary**

Board of Trustees of the State Universities and Colleges

February, 1987

THE MARYLAND STATE UNIVERSITY AND COLLEGE SYSTEM

February, 1987

The Board of Trustees of the State Universities and Colleges

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Preface

This document, an official statement of the Board of Trustees of the State Universities and Colleges, is the product of several weeks of involvement by members and staff in draftsmanship, review, editing, discussion, more review, and final Board approval. Although each of the fifteen members of the Board holds a particular point of view on individual aspects of the Commission on Excellence Report, all Board members have agreed that this document serves as a fair expression of the views they hold together as a governing board.

To the extent that this document is either supportive or critical of the Commission's findings and recommendations, the driving force behind the Board's opinions is shared by all: an abiding interest in providing the highest quality of educational service to those who seek to benefit from Maryland's public colleges and universities.

The Board hopes that this document, along with other reactions emanating from the higher education community, will prove useful to those who face the difficult task of charting the future course of this State's higher education system.

Board of Trustees of the State Universities and Colleges

The Report of the Governor's Commission on Excellence in Higher Education: A Commentary

IN BRIEF

The Board of Trustees feels that the Commission's Report:

- unduly emphasizes structure and governance at the expense of critical funding questions;
- is unjustifiably negative about the current state of higher education in Maryland and ignores important facts about the system's strengths;
- places unjustified confidence in a new system of nine separate institutional governing boards; this lopsided arrangement promises to exacerbate current problems of uneven power, influence and quality;
- looks to a new Maryland Higher Education Commission to provide effective coordination of higher education, leaving largely unexamined the ability of MHEC to do so without erasing or compromising the governing authority of the nine local boards;
- assumes without support that a major comprehensive, research-oriented "flagship" institution can and should offer the highest quality undergraduate programs to the strongest students, ignoring the probable effects on other institutions, their faculties and their students.

To assure the enduring quality and efficiency of higher education in Maryland, the Board of Trustees concludes that the State should:

- reject the proposal to create individual governing boards for nine public institutions;
- in examining alternative structures, take proper account of existing strengths in the system and capitalize upon them for the future, especially with respect to the advantages which multi-campus governing boards have realized in (a) minimizing duplicative programs, disparate standards, and dissimilar personnel and salary systems, and (b) maximizing consistency of academic and administrative policies, economy of system-wide purchases, and collective fiscal strength for bond financing purposes; and
- expect *all* institutions of higher education to achieve the highest possible quality through careful differentiation of role and mission rather than through a qualitative pecking order.

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PART I. MAJOR STRUCTURAL/ GOVERNANCE RECOMMENDATIONS

A. General Comments

For the second time in just over a decade, a group of conscientious citizens set about the task of studying the State's system of higher education — at best, a complex and not entirely rewarding enterprise, but nonetheless a necessary one. The Commission has identified a number of weaknesses and anomalies in that system, few of them new, but all needing forthright analysis and discussion. Most importantly, the Commission's report will serve as a stimulus for more focused attention on the future of higher education in Maryland than probably would have occurred in its absence.

The report is, on the whole, a substantial departure from the major concern reflected in House Joint Resolution 50, which called for the Commission's creation in the first place. That concern was the methodology and adequacy of funding for higher education. Instead, the Commission chose to emphasize reform of structure and governance, with relatively minor attention given to funding. This Board feels, and assumes that the General Assembly felt, that the issue of funding was sufficiently compelling to require careful examination by such a commission. That need still exists, and the strength of the State's higher education system depends at least as much upon addressing the matter of funding as upon structure and governance.

In addition, the Commission's report is an unjustifiably negative document in dealing with what has gone before. That negativism has been a consistent thread in press attention to higher education over the years, and it has been contagious enough in other quarters of society and officialdom to have caused a great many

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of the achievements, and a great deal of the quality, of higher education in Maryland to be ignored or given only lip service. It is unfortunate, but not totally surprising, that this thread of negativism found its way into the report of a blue-ribbon commission.

To cite two examples of this contagion in the Commission's report, one need only mention first that the solid achievements of the Board of Trustees of the State Universities and Colleges and of St. Mary's College of Maryland have gone unnoticed. In its narrative on Accountability (pp. 79-80), the Commission revealed an unfortunate lack of attention to the facts by observing: "There is very little evidence that governing boards have taken a critical look at the performance of the institutions they manage, have developed a regular process for periodic appraisals, have tied these to the plans of the institutions and have used them for dynamic program planning." Had the Commission been aware of the facts, it would have known that the Board of Trustees of the State Universities and Colleges has had in place for some time several effective accountability mechanisms:

- systematic evaluation of the academic programs at its six institutions (the Program Evaluation System, now in its eighth year, which has resulted in the discontinuation of one program per year on the average);
- formal evaluation of its six presidents on a three-year cycle;
- evaluation of itself as a governing board, using external assistance from the Association of Governing Boards;
- monthly, quarterly, and annual monitoring of the financial management of its institutions;
- follow-up evaluation of its institutions' efforts to respond to SBHE and regional accreditation team recommendations;
- regular follow-up of Legislative Auditor reports on each institution and the Board itself.

In the case of St. Mary's College, there is no acknowledgment of that institution's success in defining its unique undergraduate liberal arts mission more sharply and making measurable achievements toward fulfilling it. And Morgan State University passed virtually unnoticed in the Commission's discussion of the State's higher education resources. In the interest of justice and accuracy, there is much more to say about the good things that have happened in this State's public colleges and universities than the Commission was willing to say.

B. An Important Question of Underlying Principle

In substantive terms, the report is marked principally by its avowal of a qualitative pecking order of institutions. The University of Maryland is identified as the one to be the "flagship" institution, the most selective, the most generously funded, charging the highest fees, and the most heavily oriented toward research and graduate studies. Its faculty and students would enjoy a favored status, with greater emphasis placed on enhancing University faculty salaries and on attracting

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the highest quality students with more generous scholarship funds. The community colleges would provide the greatest access by admitting any Maryland high school graduate, and other four-year public institutions would serve as a second-tier, diverse segment open to those presumably too weak for admission to the University and too strong to be attracted by a community college.

Although the report does speak of the need to attract the strongest possible faculties throughout the system, it seems to ignore the consequences of an official state policy which differentiates its public institutions according to *perceived-or-intended* academic strength, prestige, and appeal. Of the nine public institutions in this constellation, one must wonder whether eight of them are expected to ask prospective students and faculty to "come to one of our second-rate institutions," or whether community colleges, uniquely suited to meet the postsecondary needs of thousands of students, are expected to do so in the role of third-rate institutions. The Commission either ignored or discarded the thought that a state government might be better advised to encourage *all* institutions to achieve excellence in what they do, while emphasizing meaningful differentiation of institutional role and mission, rather than to embrace an academic caste system. As with other pecking orders, one must consider not only objective appearance; it is also useful to consider the chicken's point of view.

While embracing the pursuit of excellence and the enhancement of quality, the Commission bases some of its most important recommendations on an unexamined assumption: that the greatest degree of excellence and quality is necessarily and ought to be reflected in the State's comprehensive, doctoral-granting, research-oriented public university. As prominent and vital as such institutions are, there is no evidence that any such institution's role assures the superior quality or effectiveness of its undergraduate instructional program. Indeed, sometimes the evidence points to the opposite conclusion. Whether the Commission's assumption is, in fact, a correct one depends upon what is being offered to whom, for what purpose, and how well — and on what is being sought by the student in the first place.

In a similar connection, the Commission's adherence to the qualitative pecking order raises questions about access and equal opportunity. The Commission indicates that it "does not believe access is diminished by such selective standards as long as progression from less selective to more selective institutions is made possible through articulation agreements for students with performance appropriate to the mission of the receiving institution" (p. 26). A few lines later, however, the Commission writes that "minorities and women should have the same opportunity to enroll in institutions and programs of study of choice [emphasis added] as do other students." If a student's access to a given program or institution is to be determined largely by "progression from less selective to more selective institutions," in a process suggesting qualitative musical chairs, how can it also be determined significantly by the student's choice of program or institution? How will this process affect, say, a very strong Prince Georges County student's desire to spend his/her college years on a relatively small residential campus away from home? What is the likelihood that that institution's current assortment of programs

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(Including the one desired by this student) will remain intact if it is determined by MHEC (see below) that the institution's array of programs must be pruned to avoid unnecessary duplication? What if that student is Black or a woman, or a Maryland resident who is also examining attractive out-of-state options which are devoid of such constraints?

The State University and College System has developed over the years according to an entirely different principle: that each of its institutions (Bowie, Coppin, Frostburg, Salisbury, Towson, and the University of Baltimore) should strive to develop balanced offerings in the arts and sciences and professional fields at the highest possible level of quality, which would serve the needs of a student population ranging from those marginally qualified to do college work to those with outstanding qualifications — all of them having in common the desire to enroll in an institution emphasizing individual attention and quality undergraduate instruction. The six institutions have acted as a "community of families," with each family fulfilling its distinctive role on both a statewide and regional basis.

If, as the Commission suggests, the "best" students are to enroll in (or "progress" to) the "best" institution — defined as the comprehensive, doctoral-granting, research-oriented flagship institution — then the landscape of higher education in Maryland is due for a major change, both programmatically and demographically, and the important principles of student choice, access, and equal opportunity are apt to fall prey to higher State priorities in the public sector.

In short, the Board of Trustees feels that the institutions in a state's system of public higher education ought to be differentiated from one another on the basis of what kinds of institutions they are, not on the basis of how exclusive they are intended to be. As public institutions, they ought to exist to enlarge and promote the fulfillment of opportunity, not to restrict it; they ought to open doors, not close them.

C. New Structures, New Problems

The Commission recommends a number of significant structural and governance changes in the system. Those changes, it says, are "designed to place governance authority close to the institution and to provide strong systemwide coordination." (p. x)

Specifically, the Commission recommends that the State Board for Higher Education be "reconstituted" as the Maryland Higher Education Commission (MHEC). The new body would exercise all the responsibilities currently associated with the State Board for Higher Education, but it would be vested as well with substantial new powers: it would take on the responsibilities of the State Scholarship Board and the Maryland Higher Education Loan Commission (both of which would be abolished); it would administer all non-campus-based student financial aid; it would review all existing programs offered by public institutions and could transfer, modify, or abolish those lacking in productivity, efficiency, and quality; it would oversee and enforce accountability mechanisms recommended elsewhere in the report; it would develop institutional admissions guidelines to "ensure a student body consistent with institutional missions" (p. 50); it would receive budget requests from institutions, consolidate them, and make recommendations to

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the Governor according to guidelines which recognize differentiated missions; it would oversee the distribution of appropriated funds to institutions and would have power to withhold funds from or transfer funds among institutions in order to force compliance with institutional missions; and, subject to the Governor's approval, it would have the power to recommend changes in an institution's operation and administration to its governing board and, in the ultimate, to assume and exercise an institutional governing board's duties as its own, as well as to close or merge existing institutions.

MHEC would consist of 13 gubernatorially-appointed members, none of whom may be affiliated with Maryland institutions of higher education, and they would serve no more than two consecutive four-year terms. There is no provision for a student member. In contrast to previous practice, the chairman of MHEC would be appointed by the Governor (rather than elected by the Commission) and would serve in that capacity at the Governor's pleasure. Similarly, the Commissioner of Higher Education would serve at the Commission's pleasure (the current Commissioner is employed by SBHE under a term contract).

MHEC will be discussed more below, but there is need to mention here the other major structural/governance recommendation: the abolition of the Board of Trustees of the State Universities and Colleges and the institutional boards of visitors, replaced by separate institutional governing boards for our six schools. Each of the new governing boards would have eleven members, appointed by the Governor with the advice and consent of the Senate and serving no more than two consecutive four-year terms. The boards would elect their own chairmen. There is no provision for student membership on these boards. It is reasonable to assume that, consistent with historical practice, these new institutional governing boards would rely upon their institutions' administrations for staff support, as do the governing boards of Morgan State University and St. Mary's College, while the University of Maryland Board of Regents alone would maintain its separate central office staff.

The University of Maryland Board of Regents and the separate governing boards of Morgan State University and St. Mary's College would remain intact. The University of Maryland Board of Regents consists of 15 members with two student members; Morgan's Board of Regents has 13 members, including a student. The St. Mary's College Board of Trustees has 15 members, but no student member. The State Board for Community Colleges remains intact, as do the governing boards of the community colleges (some of which have student members and some of which do not).

The Commission "endorses the principle of local institutional governance with strong central oversight at the state level." (p.48) On the same page, the Commission observes that it "finds the current structure with institutional boards, segmental boards, and coordinating boards a burdensome one with considerable opportunity for unnecessary intrusion on campus operations...." What it has actually done, however, is to modify existing structure by creating a remarkably asymmetrical new structure which opens up even more "opportunity for unnecessary intrusion on campus operations" while, at the same time, exacerbating an already troublesome imbalance of power and influence among institutions. Consider the individual pieces:

PART I. MAJOR STRUCTURAL/GOVERNANCE RECOMMENDATIONS

1. A new statewide "coordinating" board (MHEC) replaces SBHE, with authority sufficient to compromise, if not to erase, the fiduciary integrity of any single governing board. The Commission on Excellence has lamented the failure of SBHE to address the difficult issues of effective coordination. One must wonder how a new, reconstituted coordinating board will exhibit the qualities lacking in its predecessor when, as suggested below, the power equation which has so often left SBHE unable or unwilling to act forcefully will become only more uneven than it has been.
2. Nine institutional governing boards in place of the existing four. The largest institution (the University of Maryland) consists of four major campuses located in every major section of the State except Western Maryland, plus several other administrative units. It is responsible for nearly 30 percent of all FTE students in the State and 55 percent of all operating funds for higher education. The smallest (St. Mary's College) enrolls less than one percent of the State's college students and receives 10 percent of all operating funds. Between these extremes, seven other institutions — large and small; residential and non-residential; urban, suburban, and rural; predominantly Black and predominantly White; blessed or cursed by the presence or absence of alumni, political and other support — are expected, each of them, to rely upon an individual governing board to advance institutional interests passionately and successfully.
3. The existing structure contains two coordinating boards (SBHE and SBCC) and four governing boards. The proposed structure contains two coordinating boards and nine governing boards. By what measure will the proposed structure become less "burdensome" through the replacement of one coordinating board with another, the abolition of one governing board, and the creation of six new ones? True enough, each institution would have its own governing board, but consideration of the University of Maryland as an "institution" comparable, as a legal or political entity, to any other single institution strains credulity and defies the dynamics of political life.
4. One important consideration which may have been overlooked thus far, but which needs to be addressed at some point, is the significance of collective strength beyond politics itself. In the case of the State University and College System, for example, the State of Maryland realized a 38-percent saving on the purchase of a comprehensive data processing system by virtue of the fact that, acting through this Board of Trustees, eight institutions (including Morgan and St. Mary's) did it together. Moreover, this Board combined the enrollments and consequent financial leverage of its six institutions to create \$57 million in bond-financed residence halls, student unions, and other auxiliary facilities (with the most recent bonds achieving a Triple-A rating). No single institution could have begun to approximate the leverage which brought about these projects, and it is quite likely that no one of them alone could have been able to market bonds at all. Under the Commission's proposed structure, it is more than likely that only the University of Maryland, because it is preserved intact, will have the capacity to engage in a comparable level of bond financing.
5. Closely related to the last point on bond financing is the fact that, in creating this long-range obligation, the Board of Trustees of the State Universities and College is, inescapably, the debtor. Even if this Board is to be dissolved, its debt cannot be dissolved and must be assumed by some other legal entity possessing governing board authority comparable to that which enabled this Board to pledge present and future fee income from the entire System against this indebtedness.

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D. Summary Comments on Structural/Governance Recommendations

The Commission's recommendations, if enacted, would create a lopsided arrangement of "institutional" governing boards, one of them representing the formidable power of the University of Maryland system and each of the others representing a single campus. It would fall to the Maryland Higher Education Council and its Commissioner to exercise decisive coordinating authority over this study in extremes. To be blunt, it is easier to imagine a single governing board wielding effective control over this assortment of institutions than to imagine MHEC being able to do so, irrespective of its defined legal authority. The probabilities of political outcomes simply do not suggest that the Commission's recommended arrangement would result in balanced resolution of competing interests, or even in a viable definition of the State's interests, except at an incontestable and meaningless level of generality. At a briefing he gave on February 12 to the Senate Economic and Environmental Affairs Committee, the Chairman of the Commission asserted that the mere existence of this kind of authority in MHEC would probably prompt individual institutional boards to avoid its exercise by managing their institutions properly and seeing to it that they "fulfill their missions." How that result is apt to emanate from the activities of nine governing boards remains entirely unclear.

One solution to this obvious dilemma would be to preserve the status quo. Given the intensity and visibility of current concern over higher education in Maryland, that solution is probably not likely.

An alternative would be to capitalize upon the stability and experience of the Board of Trustees by retaining it in some form. Its size and composition might well be altered, but the system-wide advantages which have accrued (but escaped the Commission's attention) from the Board's nearly 24 years of existence would be preserved. In discussing this alternative, it would be foolish to ignore the recurring question: What about Morgan State University and St. Mary's College? If there is merit in the line of reasoning presented above — that separate institutional governing boards can only magnify uneven competition, duplication, and confusion — then it makes no sense to leave two institutions under their own individual governing boards.

Another possibility is to create a unified system by placing all public four-year campuses under a single governing board. This would have the advantage of placing under one roof all of those institutional and segmental anomalies which have prompted the Commission and others to call for change, while still allowing for differentiation of campus missions and for a flagship campus. Public higher education, for the first time in Maryland, would be left to function within a unified governance framework; to resolve its campus programmatic, funding, and image differences internally; to compete with community colleges, independent institutions and other State agencies for scarce funds; and to stand accountable to the State as a single entity. For the optimist, this unified structure would present new opportunities for common effort toward common goals. For the cynic, it would force public higher education to stew in its own juice.

To be resolved, these alternatives, like the Commission's recommendations themselves, rely upon the political pulling and hauling of vested interests. What final results occur will depend at least as much upon the leadership and determination of the State's Executive as upon any other single factor.

E. Conclusions

At this writing, it appears that the Schaefer Administration will not sponsor legislation in the 1987 Session of the General Assembly to implement the Commission's recommendations. It appears likely that some form of further study will be conducted during the Interim and that legislation is more apt to appear in 1988. The Board of Trustees firmly supports such further study.

It is unlikely that any single segment or institution within higher education will strongly endorse the Commission's Report in its entirety. Community college representatives believe that the Commission has ignored the interests of a majority of today's college-going students: part-timers and adults. Independent institutions are pleased that the Commission supports continuation of State operating budget support to them under the current fall-safe mechanism, but are disappointed that the Report contained no mention of their capital budget needs and are concerned about the potential of a powerful central board and about some of the financial aid recommendations. Morgan State University appears to feel left out. Representatives of predominantly Black institutions, as well as a number of others, are disappointed and offended that the Commission Report says next to nothing about the needs of predominantly Black institutions or the State's inescapable moral and legal obligations with regard to Desegregation. Representatives of the University of Maryland welcome that institution's favored status in the Report but continue to object, as they have in the past, to any effort to single out any one of its campuses for such emphasis. They also feel that the Commission's funding proposals are inadequate.

Among this Board's institutions, there are mixed reactions. A minority of the presidents welcome the prospect of separate governing boards and the undivided attention, prestige, and largesse such boards would presumably bring to their individual institutions. The majority of the presidents are concerned that their institutions will suffer from exposure if they and their individual governing boards are left to their own devices in a competitive environment which is both intense and uneven.

Nearly all segments reveal considerable apprehension about the uncertainty and ambiguity of the role of MHEC. What will be the quality of its appointees and staff? How will its powers be further defined? By what criteria will its substantial powers be exercised, and will the higher education community have any significant role in influencing those criteria? Will its powers effectively overshadow institutional governing boards so that the latter become little more than advisory?

These questions and perspectives will obviously color very strongly the impending discussion of the Commission's Report, whether in legislative hearings or in other forums. The discussion itself will, in turn, influence the content of draft legislation which may emerge in 1988. In short, the coming year or so will determine whether and to what extent the Commission's labors will bear fruit in changing the structure and control of public higher education in Maryland.

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To assure the enduring quality and efficiency of higher education in Maryland, the Board of Trustees concludes that the State should:

(1) reject the proposal to create individual governing boards for nine public institutions;

(2) in examining alternative structures, take proper account of existing strengths in the system and capitalize upon them for the future, especially with respect to the advantages which multi-campus governing boards have realized in (a) minimizing duplicative programs, disparate standards, and dissimilar personnel and salary systems, and (b) maximizing consistency of academic and administrative policies, economy of system-wide purchases, and collective fiscal strength for bond financing purposes; and

(3) expect all institutions of higher education to achieve the highest possible quality through careful differentiation of role and mission rather than through a qualitative pecking order.

The Board believes that this course of action offers the greatest likelihood that the most enlightened of the Commission's recommendations could be implemented in a way which benefits the State, its taxpayers, and those who look to its resources to fulfill their postsecondary educational needs. It allows the State to opt for a reasonable degree of unity in public higher education while preserving individual campus identity, and it offers some promise that the fortunes of public higher education in Maryland would not be left to chance nor to interminable competition among unevenly matched, separately-governed interests.

II. OTHER RECOMMENDATIONS

The Commission made a total of 42 recommendations in its report. Part I discussed only four of them. Some of the others have significance in their own right and follow from the basic structural and governance changes discussed in Part I. Others are both familiar and independent of the Commission's structural and governance changes. The Commission organized its remaining recommendations under six major headings, as follows

Planning ——— Recommendations 5 through 11
Quality ——— Recommendations 12 through 19
Efficiency ——— Recommendations 20 through 24
Funding ——— Recommendations 25 through 35
Flexibility ——— Recommendations 36 through 39
Accountability — Recommendations 40 through 42

A. Planning Recommendations

Recommendations 5, 6, 8, 9, 10, and 11 relate to specific actions to improve planning procedures and communication. Recommendation 7 is the one which sets forth the preferred status of the University of Maryland, the role of other state universities and colleges, and the community colleges.

B. Quality

Recommendation 12 calls for a 20 percent reduction in UM-College Park's undergraduate FTE enrollment over five years, resulting in higher admission standards, greater emphasis on upper division and graduate enrollment, and a better fit between enrollment and available space. The University is to be held harmless from

II. OTHER RECOMMENDATIONS

the consequent loss of State support and tuition income. See also Recommendation 25.

Recommendation 13 calls for establishment of the 75th AAUP percentile benchmark for faculty salaries; funding to endow the Eminent Scholars Program; and the use of merit in awarding faculty salary increases. See also Recommendation 26.

Comment: The 75th percentile benchmark was adopted by this Board of Trustees in the early 1970's, and as recently as 1986 a representative of the Governor's Office indicated that it had never been approved by anyone other than the Board. Now, with no acknowledgement of the Board's long-standing initiative, the Commission recommends it as a benchmark for all institutions.

Recommendation 14 calls for institutions to develop closer communication and collaboration with public schools, including a system to communicate to public schools the preparedness of their students for college study. It calls for the Educational Coordinating Committee (ECC) to develop a plan to improve involvement of institutions and school boards in its deliberations.

Comment: If only for the sake of historical accuracy, the Commission might well have acknowledged that this Board, for the last four years, has published to each school board in the State the freshman year performance of its graduates attending our institutions — by high school and by institution; and that it was this Board which led the way in upgrading high school curriculum requirements of those attending our six institutions.

Recommendation 15 calls for improvement of teacher education programs and efforts by MHEC to include predictions of teacher shortages, as well as efforts to increase the number of students preparing to teach.

Recommendation 16 suggests that remediation be concentrated at community colleges and that students not be allowed to receive academic credit for remedial work.

Recommendation 17 calls for one community college (perhaps the Community College of Baltimore) to link up with a four-year institution to develop a model remediation program.

Recommendation 18 is that institutions increase retention standards and raise retention rates. SBHE calls for the same goal in its current *Statewide Plan for Postsecondary Education*.

Recommendation 19 is that the State provide a pool of funds for raising quality. SBHE has made a similar recommendation more than once.

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C. Efficiency

Recommendation 20 is that MHEC should promote inter-institutional cooperation and should require that programs be offered jointly when cooperation is appropriate. This is especially critical in the Baltimore metropolitan region.

Recommendation 21 is that MHEC encourage as State policy that local private industry councils and employers contract with community colleges for training and retraining workers.

Recommendation 22 is that MHEC conduct an ongoing assessment of programs. MHEC is to have authority to modify, eliminate, merge, or withhold funds related to consistently unproductive programs.

Comment: The report contains no acknowledgment of this Board's creation of the Program Evaluation System (PES) in 1979 and the resulting discontinuance of an average of one program per year since then, nor of the fact that SBHE began to implement program evaluation in 1986.

Recommendation 23 is that MHEC develop a process for uniform scheduling, single-system applications, and cooperative registration and purchasing.

Comment: The Commission does not indicate what existing problems would be solved by implementing this recommendation, nor the feasibility of cooperative registration and purchasing (the latter would involve major revision of externally-prescribed State purchasing procedures).

Recommendation 24 is that MHEC prohibit unnecessary duplication of graduate programs and that it should not approve new graduate programs already available. MHEC should conduct annual program review to eliminate such duplication where it now exists.

Comment: See Comment under Recommendation 22

D. Funding

Recommendation 25 is essentially a quantitative restatement of Recommendation 12, indicating also what projected costs are involved, including the cost of "enrolling these [rejected] students at other Maryland institutions." Surplus funds gained from this enrollment reduction are to be used to enhance University of Maryland faculty, "to achieve a faculty mix in rank and stature appropriate to changed student clientele" and to promote qualitative change.

Comment: The Commission did not attempt to relate the "hold harmless" funds to demonstrated need at the University, nor to project what effect the reduction of enrollments would have on enrollment at other Maryland or out-of-state institutions. It is entirely possible, for example, that students applying for, but not receiving, admission to the University would choose to attend a similar out-of-state institution rather than a smaller Maryland institution officially designated by the State as less prestigious or desirable.

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Recommendation 26 is a quantitative restatement of Recommendation 13, indicating the cost of raising faculty salaries to the 75th percentile, but omitting that cost at Morgan State University.

Recommendation 27 calls for the State to appropriate \$3 million per year for five years to endow the Eminent Scholars Program.

Recommendation 28 calls for the State to initiate a consolidation/cooperation/improvement fund to facilitate cooperative planning, mergers of programs or quality improvements. To be administered by MHEC, the fund should initially contain \$2 million, which should grow to \$10 million as it matures.

Recommendation 29 calls for the State to continue its program of aid to independent institutions.

Recommendation 30 indicates that community colleges should receive an increase in formula funding which recognizes inflation and other named factors.

Recommendation 31 calls for several measures to improve student financial aid: (1) increase merit scholarships to \$2,000 per award; (2) provide an additional bonus of \$3,000 per distinguished scholar attending the University of Maryland-College Park campus; (3) create a work-study program with State funding to cover administrative costs and private sector funding for salary benefits; (4) phase out special-purpose scholarships not based on merit, need or desegregation and add these funds to the GSS program; (5) distribute State aid according to policies which promote access; (6) require student aid recipients to maintain at least a 2.0 average; and (7) explore the feasibility of tuition prepayment plans or a tax incentive program to promote saving of educational costs in advance.

Recommendation 32 calls for institutions to improve their record of private fund raising and calls upon MHEC to offer technical assistance and to explore the feasibility of developing a foundation for private fund raising for systemwide initiatives. MHEC is also to explore incentives for private fund raising.

Comment: Private philanthropy for higher education is traditionally and almost notoriously institution-specific, with few exceptions. The Commission seems not to have anticipated the difficulty and complexity of establishing a broad-purpose foundation which would compete with institutions for private funds, nor the disincentives involved when prospective donors recognize that the State itself considers 90 percent of its public four-year institutions to be second- or third-rate.

Recommendation 33 calls for the creation of a restricted maintenance fund for each institution. Such funds to be restricted to maintenance uses and could be carried forward with accumulated interest accruing to the institution. Institutions to report annually to MHEC on their expenditures, balances, and outstanding needs in maintenance.

Recommendation 34 suggests that the State hold in abeyance for a limited period funding of new capital construction until plant renewal needs have been satisfied. Observes that better program planning, "better distribution of students among existing campuses," consolidation, and more cooperative use of facilities and re-

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sources may moderate the need for new facilities. State should consider leasing underutilized space and selling surplus property, then committing resulting revenues to capital improvements.

Recommendation 35 calls upon MHEC to create a revolving capital fund to purchase instructional equipment to be used by all institutions as needed, perhaps on a lease basis as in Virginia.

E. Flexibility

Recommendation 36 suggests that institutional budgets should be prepared by the institutional governing boards and should be determined by the Governor and General Assembly after considering the advice of MHEC. Funds are to be budgeted to MHEC with a line designation by institution; funds are to be distributed to the institutions by MHEC. MHEC will have authority to transfer or withhold funds as described in Recommendation 3.

Recommendation 37 is that the capital budget process be simplified as follows:

1. The University of Maryland would be given parallel authority with that of the Departments of General Services and Transportation for design and management oversight. The University would be constrained by budget allocations and overall space guidelines developed by the Department of State Planning, but would have flexibility in project design, management and execution.
2. For other state universities and colleges, the capital budget process would be streamlined by combining program planning and detailed planning processes. "Institutions would bear some risk in funding internally the costs of detailed planning...."

Comment: This recommendation, establishing a double standard for the University of Maryland as opposed to other institutions, is based upon the faulty assumption that only the University presently has the resources to manage its own capital budget process. The Board of Trustees, through its own staff alone and in concert with qualified private contractors, has possessed resources for this purpose since the late 1960's and continues to receive commendation from both the Department of State Planning and the Department of General Services for the quality of its work. There is no real justification for adopting a process which works against eight public institutions and favors one. If there is need to simplify the capital budget process for one institution, the same need exists for all.

Recommendation 38 suggests that procurement of administrative computer equipment be as flexible as it is for academic computer equipment.

Recommendation 39 indicates that flexibility should be accompanied by accountability. MHEC is to have authority, as set forth in Recommendation 3, to impose sanctions, including withholding funds and assumption of governing authority, against institutions failing to meet their missions through faulty management.

Comment: It is entirely arguable whether accountability is best achieved through threats of reprisals and punitive governance procedures imposed

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by a new body neither intended nor equipped to be an institutional governing board. Moreover, this recommendation raises serious questions about problems which might result if the fiduciary integrity of an institutional governing board should be compromised.

F. Accountability

Recommendation 40 calls for institutional governing boards to develop institutional accountability plans to measure performance in meeting missions, goals and objectives. Such plans are to include assessment of student performance appropriate to the institution's mission.

Recommendation 41 suggests that MHEC receive the institutional accountability plans and may approve or modify them. Accountability reports are to be sent annually to MHEC; MHEC would then compile a systemwide accountability report and submit it to the Governor and General Assembly.

Comment: Given the long-standing practices of regional and professional accrediting agencies, the periodic review and approval of institutions by SBHE, the recurring efforts of legislative and other auditors, and the performance evaluation mechanisms of some governing boards, one must wonder what additional value is provided by this rather cumbersome ritual.

Recommendation 42 provides that each institutional governing board and MHEC adopt a process for training new board members and for periodic evaluation, at least every five years, involving external observers. A summary of these processes would be provided to the Governor, the General Assembly and MHEC.

Comment: If such a process is to be adopted, those responsible could benefit from the experience of the Board of Trustees, which initiated its own self-evaluation procedure (with Association of Governing Board mentors) in 1982. The Commission seems unaware of this precedent.